

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS

FEBRUARY 1988

1987 Shipments Up 8.2 Percent

THRU DECEMBER 1987

Total industry net shipments for the year 1987, estimated at 16,591 million pounds, were up 8.2 percent from the 1986 total of 15,335 million pounds.

Domestic shipments of 15,335 million pounds were up 6.3 percent over the 1986 total of 14,424 million pounds.

1987 imports of ingot and mill products were down 7.7 percent while exports were up 37.9 percent.

	1987 12 Mos.	1986 12 Mos.	% Change
Mill Products	13,123	12,372	6.1
Ingot	3,469	2,964	17.0
Total	16,591	15,335	8.2
Less Exports	1,256	911	37.9
Domestic Total	15,335	14,424	6.3

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

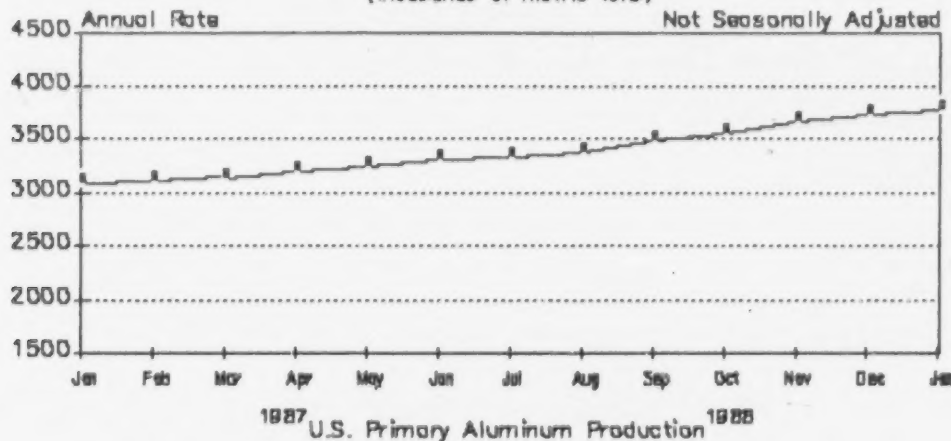
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Primary Production Daily Rate Averages 10,310 MT

U.S. primary aluminum production averaged 10,310 metric ton daily during January 1988. This compares with an average of 8,436 metric tons a day in January 1987 and 10,189 metric tons a day in December 1987. The annual rate of production in January 1988 was 3,773,484 metric tons compared with 3,079,081 metric tons in January 1987 and 3,641,990 metric tons in December 1987. Actual production in January 1988 was 319,612 metric tons.

Primary Production

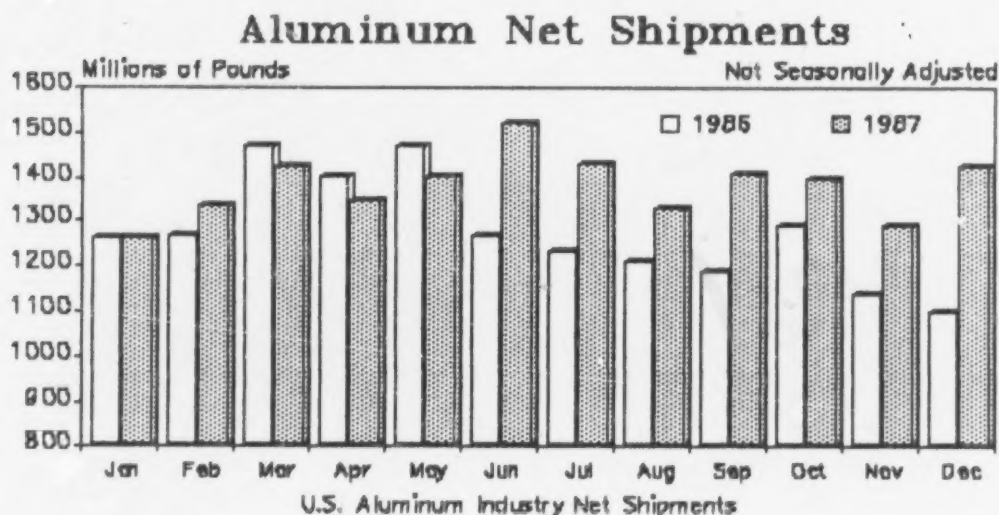
(thousands of metric tons)



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

1987 Industry Net Shipments Up 8.2 Percent

Estimated total industry net shipments of 16,591 million pounds for the year 1987 were up 8.2 percent from the 1986 total of 15,335 million pounds. Exports for 1987 of 1,256 million pounds were up 37.9 percent. 1987 domestic shipments of 15,335 million pounds showed a 5.6 percent increase from a year ago.



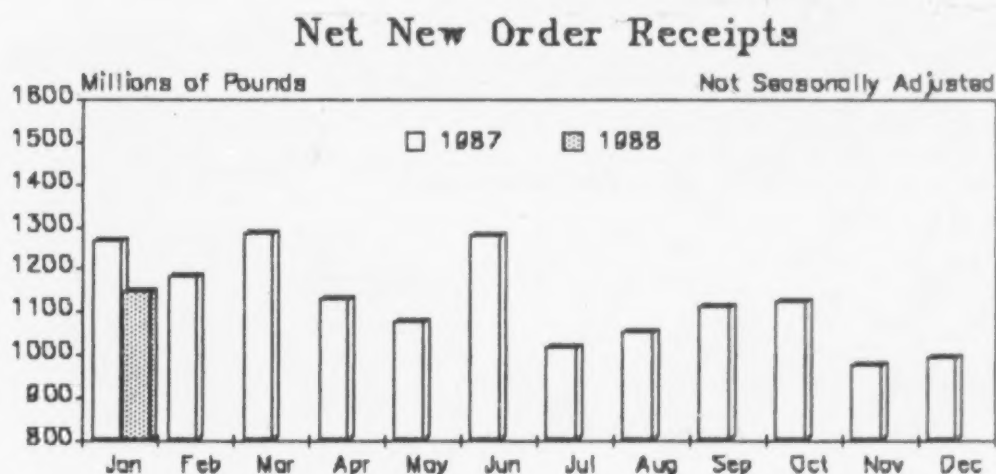
Net Shipments (Millions of Pounds)

	1987 December	1986 December	1987 12 Mos.	1986 12 Mos.	% Change 1987 vs 1986
Sheet	674.2	499.7	7,095.2	6,381.7	11.2
Plate	22.0	20.2	268.5	247.8	8.3
Foil	72.6	63.5	867.2	860.5	0.8
Rod, Bar & Wire	25.7	24.2	361.4	328.7	10.0
Elec. Conductor	46.6	44.6	614.7	630.0	-2.4
Extruded Shapes, Tube	195.9	201.7	2,758.0	2,728.8	1.1
Powder & Paste	8.0	6.5	97.4	96.2	1.3
Forgings & Impacts	12.0	11.7	156.4	144.5	8.2
Net Imports of Mill Products (Total) (a)	80.2	54.5	903.6	953.5	-5.2
Total Mill Products	1,137.3	926.5	13,122.5	12,371.7	6.1
Ingot (b)	287.9	190.3	3,468.6	2,963.5	17.0
TOTAL INDUSTRY SHIPMENTS	1,425.2	1,116.8	16,591.1	15,335.2	8.2
Exports	139.3	78.3	1,256.3	910.9	37.9
TOTAL DOMESTIC SHIPMENTS	1,285.9	1,038.5	15,334.8	14,424.3	6.3

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

Net New Order Receipts Decline 9.1 Percent

Estimated-net new order receipts for January 1988 of 1,152 million pounds declined by 9.1 percent versus January 1987. Orders increased 16.1 percent, however, over December 1987 orders of 992 million pounds.



Order Receipts (Millions of Pounds)

	1988 January	1987 January	1988 1 Mo.	1987 1 Mo.	% Change 1988 vs 1987
Sheet & Plate, Other	393.3	464.7	393.3	464.7	-15.4
Can Stock	380.9	431.4	380.9	431.4	-11.7
Foil	84.4	76.4	84.4	76.4	10.5
Bar, Rod & Wire	55.7	24.6	55.7	24.6	126.4
Electrical Conductor	55.0	50.0	55.0	50.0	10.0
Extruded Shapes & Tube	165.3	194.8	165.3	194.8	-15.1
Powder & Paste	6.5	8.6	6.5	8.6	-24.4
Forgings & Impacts	10.7	16.9	10.7	16.9	-36.7
Total Mill Products	1,151.8	1,267.4	1,151.8	1,267.4	-9.1

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.

(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

Producer Inventories Decrease 82 Million Pounds in December

Estimated producer inventories decreased in December 1987 to a total of 4,165 million pounds. This represents a 82 million pound decrease from the November 1987 level of 4,247 million pounds.

Month-End Aluminum Producer Inventories By Type of Producer (Figures in Millions of Pounds)

	<u>Total</u>	<u>Ingot</u>	<u>Scrap</u>	<u>All Other</u>
Sep 87	4,153	1,337	598	2,217
Oct 87	4,213	1,424	590	2,198
Nov 87	4,247r	1,399r	617r	2,232r
Dec 87	4,165	1,488	578	2,100

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

Consumer Inventories Reported at 36.1 Days

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of December 31, 1987 was 36.1, up 1.4 percent from November 1987.

Month-End Aluminum Consumer Inventories (Average Number of Days)

Sep 87	34.2
Oct 87	34.7
Nov 87	35.6
Dec 87	36.1

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports (Millions of Pounds)

	<u>1987 December</u>	<u>1986 December</u>	<u>1987 12 Mos.</u>	<u>1986 12 Mos.</u>	<u>% Change 1987 vs 1986</u>
Imports					
Mill Products	85.5	64.0	1,005.1	1,088.9	-7.7
Ingot	201.7	170.1	2,745.9	2,973.6	-7.7
Total	287.2	234.1	3,750.9	4,062.5	-7.7
Scrap (+ dross)	30.5	19.2	420.5	363.7	15.6
Grand Total	317.7	253.4	4,171.5	4,426.2	-5.8
Exports					
Mill Products	60.7	31.2	636.0	448.7	41.7
Ingot	78.6	47.1	620.3	462.1	34.2
Total	139.3	78.3	1,256.3	910.8	37.9
Scrap	66.4	60.4	812.5	765.3	6.2
Grand Total	205.7	138.7	2,068.8	1,676.1	23.4
Net Imports	112.1	114.7	2,102.7	2,750.1	-23.5

Source: Bureau of the Census, U.S. Department of Commerce.